



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

Administrative AN 1821

FmHA AN No. 1821 (1900)

NOV 1 0 1988

Subject: Appeals Involving Farmers Home
Administration (FmHA) Appraisals

To: State Directors, District Directors and
County Supervisors

PURPOSE/INTENDED OUTCOME: This Administrative Notice (AN)
clarifies FmHA appeal procedure regarding appraisals and the role
of State Directors in that appeal process.

COMPARISON WITH PREVIOUS AN: There is no previous AN on this
subject.

IMPLEMENTATION RESPONSIBILITIES:

When the denial of FmHA assistance involves an appraisal, the
following language should be inserted in Exhibit B-1 to FmHA
Instruction 1900-B.

"If you do not wish to have a meeting as outlined above, you
may contest the appraisal of the property value. In order
to contest the appraisal you must first request review of
the appraisal by the FmHA State Director. Your request for
review by the State Director should be made through our
office. You will be advised of the results of the State
Director's review. If after the State Director's review you
still disagree with the appraisal you may request a hearing.
When you receive the results of the State Director's review
you will be advised on how to ask for a hearing. Your
request for review of the appraisal should be postmarked no
later than _____ (insert date 15 days from date of
letter).
(date)

The decision maker should substitute the name and address of the
State Director instead of the Area Supervisor, National Appeals
Staff (NAS).

If the State Director review shows the FmHA appraisal is
adequate, then Exhibit B-2 to FmHA Instruction 1900-B will be
sent with the following suggested language inserted:

"At your request we have reviewed the appraisal of the
property you wish to purchase. We have determined that the
value estimate of the property is both supportable and
defensible (as required by FmHA regulations and appraisal
industry standards) and therefore acceptable.



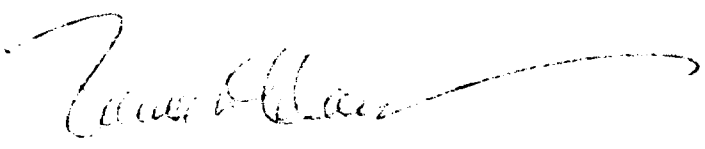
Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

You have the right to appeal this decision. If so desired, a request for a hearing should be sent to the Area Supervisor, National Appeals Staff, Farmers Home Administration, (insert address) postmarked no later than _____ (insert date 30 days from date of letter).
(date)

You must show why the appraisal is in error. You may submit an independent appraisal, at your expense, from a qualified appraiser who is a designated member of the American Institute of Real Estate Appraisers, Society of Real Estate Appraisers, American Society of Farm Managers and Rural Appraisers, etc., or an equivalent organization requiring appraisal education, testing and experience. The appraisal must conform to Agency Appraisal regulations applicable to the loan program."

The exception concerns appraisals involving farmer program primary loan servicing. In those cases the decision maker should inform the appellant of their appeal rights using Exhibit B-1 or Exhibit B-2, as appropriate, giving appeal rights directly to the Area Supervisor, National Appeals Staff, without requiring prior review of the appraisal by the State Director.

If you have further questions, feel free to contact Ms. Pamela Dillon, Director, National Appeals Staff, at (703) 756-7008 or FTS 756-7008.



VANCE L. CLARK
Administrator

Expiration Date: September 30, 1989

FILING INSTRUCTIONS:
Preceding
FmHA Instruction 1900-B.